

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 6847**

**BILL NUMBER:** SB 248

**DATE PREPARED:** Feb 25, 2002

**BILL AMENDED:** Feb 25, 2002

**SUBJECT:** Small Claims Costs Fee.

**FISCAL ANALYST:** Mark Goodpaster

**PHONE NUMBER:** 232-9852

**FUNDS AFFECTED:** X **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill has the following provisions:

(A) It exempts the Attorney General from paying the small claims costs fee. It also makes technical corrections.

(B) The bill also establishes procedures for legal actions that involve state liens or other encumbrances on real property.

(C) It specifies when a mortgagee seeking equitable subrogation with respect to a lien may not be denied equitable subrogation. It specifies that the law concerning mortgage releases by title insurance companies applies to the release of a mortgage before July 1, 2003.

**Effective Date:** July 1, 2002.

**Explanation of State Expenditures:** (Revised) Provision B could reduce the administrative burden of the Attorney General's Office. Any staff time that becomes available as a result of this provision will be used in other areas.

*Background Information:* Under current law, when the state has a lien or encumbrance on real property and an action is brought concerning a lien or encumbrance on real property that has greater priority than the state's, the Attorney General's Office is required to respond to the action in order to preserve the state's rights or interest in the lien or encumbrance. This bill will allow the state's interest to be preserved even if the notice of the action is not answered.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** Provision A could shift case filings from the civil dockets of circuit and superior courts to the small claims dockets of the Marion County Small Claims Courts, trial courts, and potentially city and town courts. The Office of the Attorney General (AG) reports that it files roughly 1,500 cases each year in circuit and superior courts as civil plenary cases on behalf of claimants. Staff in the AG's office indicate that cases could be resolved more quickly in a small claims docket than in a civil docket since proceedings are less formal.

The effect that any additional workload will have on local courts will depend on the existing capacity of the courts to process cases and the extent to which filings are dispersed among various courts with small claims dockets.

**Explanation of Local Revenues:** Provision A: Currently, the AG's Office files all cases in the civil docket of circuit and superior courts because the Office of the Attorney General is exempt under current law from paying the filing fee in civil cases. The courts in which these cases are filed receive no revenue for these cases. Courts with small claims dockets to which these cases would shift would not receive any revenue from filing fees. A civil filing fee is \$100 while the filing fee for a small claims case is \$35.

**State Agencies Affected:** Office of the Attorney General.

**Local Agencies Affected:** Trial courts, Marion County Small Claims Courts, city and town courts.

**Information Sources:** Jennifer Thuma, Office of the Attorney General.